

SENATE HEALTH & WELFARE

H.766: STEP THERAPY & RX PRIOR AUTHORIZATION

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2022 VS. 2023 DRUG COSTS AND TRENDS

- Increase in total drug costs were 24.9% in one year alone
- Utilization increased by 8.6%
- Traditional (non-specialty) drug costs up by 18.5%
- **Specialty spending is 55% of all drug costs, but 1.7% of prescriptions**

Pharmacy Statistics	2022	2023	% Change
Total Drug Costs	\$183.4 million	\$229.2 million	24.9%
Total Specialty	\$103.6 million	\$126.3 million	21.9%
Average Cost per Rx	\$6,588	\$8,045	22.1%
% Generic	80.8%	81.7%	1.2%
# of Prescriptions	862K	936K	8.6%

UTILIZATION MANAGEMENT SAVINGS

- In 2023 Blue Cross VT Utilization Management Programs saved \$38.9 million in 2023
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Prior Authorization:
\$24.3 million savings

Quantity Limits:
\$10.6 million savings

Step Therapy:
\$4 million savings

SECTION 1: STEP THERAPY

- *Sec. 1. 8 V.S.A. § 4089i(e)(1) (A)-Step Therapy*
 - *(A) not require failure, including discontinuation due to lack of efficacy or effectiveness, diminished effect, or an adverse event, on the same medication on more than one occasion for ~~continuously enrolled members or subscribers~~ insureds who are continuously enrolled in a plan offered by the insurer or its pharmacy benefit manager;*

- Blue Cross VT supports members moving from one health plan to another to retain medication and prior authorization protocols.

- **Blue Cross VT supports this change**

SECTION 1: STEP THERAPY

- *Sec. 1. 8 V.S.A. § 4089i(e)-Step Therapy Page 3:*

- *(iii) the insured has already tried the prescription drugs on the protocol, or other prescription drugs in the same pharmacologic class or with the same mechanism of action, which have been discontinued due to lack of efficacy or effectiveness, diminished effect, or an adverse event*

➤ Efficacy is patient-specific in many cases, so a different drug within the same pharmacological class may be effective for an individual when the first product tried was not.

Remove: “or other prescription drugs in the same pharmacologic class or with the same mechanism of action”

SECTION 1: STEP THERAPY

- *Page 3, lines 14-17: (B) grant an exception to its step-therapy protocols.*
 - *(iv) the insured is stable on a prescription drug selected by the insured's treating health care professional for the medical condition under consideration;*
- Most drugs can be switched without negatively impacting the patient.
- Prevents the moving patients to less expensive, equally effective drugs as new and less expensive alternatives become available.
- **Amend to remove: (iv)**

SECTION 3: PRIOR AUTHORIZATIONS

2023 Prior Authorization Activity: Blue Cross VT and DVHA Comparison

2023 PA Activity	Blue Cross VT	DVHA
Total # PAs	15254	30067
# Approved	11534	21639
# Denied	3720	8428
Denial Rate	24.39%	28.03%

SECTION 3: PRIOR AUTHORIZATIONS (PA)

- Purpose of Drug Prior Authorization:
 - Assures clinical appropriateness and patient safety
 - Satisfies requirements for manufacturer rebates that are used to lower premiums, usually through preferred status and step therapy
- Prior Authorization Development:
 - Thorough review of evidence-based literature, manufacturer information, consultation with panel of physician and pharmacist experts
- Prior Authorization Turn Around Times for Prescription Drugs:

PA TYPE	Turn-Around Time
URGENT CONCURRENT PA	24 Hours
STANDARD POST-SERVICE PA (DMR)	30 Calendar Days
URGENT PRE-SERVICE PA	24 Hours
STANDARD PRE-SERVICE PA	2 Calendar Days

SECTION 3: RX PRIOR AUTHORIZATIONS

- *Page 13, line 13:*
- *(D) Sec. 3. 18 V.S.A. § 9418b(g)(4) is amended to read:*
 - *D) Prior authorization approval for a prescribed or ordered treatment, service, or course of medication shall be valid for the duration of the prescribed or ordered treatment, service, or course of medication or one year, whichever is longer; provided, however, that for a prescribed or ordered treatment, service, or course of medication that continues for more than one year, a health plan shall not require renewal of the prior authorization approval more frequently than once every five years.*
- Prescription regimens should be re-evaluated each year as alternate (more cost-effective and/or clinically appropriate) medications become available.
- For example, the GLP-1 weight loss drugs had a 1,083.6% increase in cost between 2022-2023; as new lower-cost drugs come to market, patients should be encouraged to switch.
- Restricts movement to lower cost drugs and the use of clinically comparable drugs with lower ingredient cost.
- **Amend to remove: (D) Sec. 3. 18 V.S.A. § 9418b(g)(4)**